

Message Text

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ACTION EUR-12

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TO SECSTATE WASHDC 1877
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AMCONSUL OPORTO
COMUSFORAZ
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CINCLANT

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TAGS: PINT, PO
SUBJECT: AZOREAN REGIONAL PRESIDENT VENTS FRUSTRATION WITH LISBON

REF: PONTA DELGADA 0459(DTG 171330Z NOV 77); PONTA DELGADA 0524
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SUMMARY: AZOREAN REGIONAL GOVERNMENT (RGA) PRESIDENT DR. JOAO BOSCO MOTA AMARAL DEVOTED MUCH OF HIS NEW YEAR'S ADDRESS TO CENSURE IN UNUSUALLY STRONG TERMS WHAT HE DESCRIBED AS THE CENTRAL GOVERNMENT'S CYNICAL AND REPREHENSIBLE FOOT-DRAGGING IN TRANSFERRING MINISTERIAL SERVICES TO REGIONAL GOVERNMENT CONTROL. HE ALSO INSISTED THAT PAST CONTINENTAL NEGLECT AND THE ARCHIPELAGO'S STRATEGIC IMPORTANCE JUSTIFIED THE RGA'S DEMAND THAT LISBON CONTINUE TO MAKE UP THE REGION'S BUDGETARY DEFICITS. BUT AS A LONG TERM SOLUTION TO SHORTFALLS, HE LOOKED TO THE REGION'S SHARING IN BENEFITS DERIVED FROM A LAJES BASE ACCORD AND AGREEMENTS WITH FOREIGN NATIONS FOR THE RIGHT TO EXPLOIT THE REGION'S VAST 200 MILE MARITIME ECONOMIC ZONE.
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MOTA AMARAL PROPOSED NEW MEASURES TO PROTECT THE REGION FROM PERSISTENT CENTRAL GOVERNMENT ABUSE OF THE RGA'S CONSTITUTIONAL RIGHT TO PARTICIPATE IN CENTRAL GOVERNMENT DECISIONS INVOLVING THE ARCHIPELAGO. FINALLY, HE IMPLIED STRONGLY THAT THE NATIONAL ASSEMBLY'S FAVORABLE ACTION ON TWO REGIONAL ASSEMBLY-PROPOSED BILLS THAT WOULD STRENGTHEN THE REGION'S FISCAL AUTONOMY WOULD BE A PREREQUISITE FOR THE PSD-CONTROLLED REGIONAL ASSEMBLY'S DRAFTING OF A

DEFINITIVE STATUTE OF AUTONOMY URGED BY THE SOCIALISTS. END SUMMARY.

1. SLOW PACE IN TRANSFER OF SERVICES TO REGION STILL A POINT OF CONFLICT WITH LISBON. IN A TELEVISED NEW YEAR'S ADDRESS JANUARY 2, AZOREAN REGIONAL GOVERNMENT PRESIDENT MOTA AMARAL VENTED HIS FRUSTRATION AT THE SLOW PACE OF MOVEMENT TOWARD MEANINGFUL REGIONAL AUTONOMY. THE CENTRAL GOVERNMENT, HE CHARGED, HAD CONTINUED TO DRAG ITS FEET ON IMPLEMENTING LEGAL REQUIREMENTS THAT MOST MINISTRIES TRANSFER THEIR FUNCTIONS IN THE REGION TO RGA CONTROL. HE ALLEGED THAT SEVERAL CENTRAL GOVERNMENT ENTITIES HAD EVEN GONE TO THE POINT OF ORDERING THEIR DEPENDENCIES TO REFUSE ALL COLLABORATION WITH THE RGA.

MOTA AMARAL EXPRESSED IMPATIENCE AT THE CYNICISM OF THOSE IN THE CENTRAL GOVERNMENT WHO ON THE ONE HAND REFUSED TO GRANT REGIONAL GOVERNMENT SECRETARIES THE POWER TO CARRY OUT THEIR RESPONSIBILITIES YET ON THE OTHER INSINUATED THAT THE REGION'S AUTONOMY COULD NOT WORK AND THEREFORE SHOULD BE LIMITED. HE PLEDGED TO RAISE THE WHOLE QUESTION OF THE SECOND CONSTITUTIONAL GOVERNMENT'S COMMITMENT TO AUTONOMY AS SOON AS IT HAD BEEN FORMED.

2. RGA DEMANDS THAT CENTRAL GOVERNMENT ONCE AGAIN SUBSIDIZE BUDGET SHORTFALL: MOTA AMARAL STATED THAT THE RGA EXPECTED THE NEW GOVERNMENT IN LISBON TO AGREE TO COVER FULLY THE RGA'S 1978 BUDGET DEFICIT OF 1.925 BILLION ESCUDOS (OF A TOTAL BUDGET OF 3.383 BILLION) TO PERMIT THE FINANCING OF THE RGA'S INVESTMENT PROGRAM. HE CLAIMED THAT A SUBSIDY, EVEN IN THIS YEAR OF AUSTERITY FOR THE LIMITED OFFICIAL USE

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CONTINENT, WAS LEGITIMATE COMPENSATION NOT ONLY FOR PAST NATIONAL NEGLECT OF THE REGION BUT ALSO FOR WHAT THE REGION'S STRATEGIC LOCATION HAD CONTRIBUTED TO INTERNATIONAL WILLINGNESS TO ASSIST IN THE RESOLUTION OF THE NATION'S CURRENT FINANCIAL DISTRESS. IN ORDER THAT THE REGION NOT BE FOREVER DEPENDENT UPON SUBSIDIES FROM LISBON, HE FELT IT IMPERATIVE THAT DURING 1978 THE CENTRAL GOVERNMENT CLARIFY EXACTLY WHAT WOULD BE THE FINANCIAL AND ECONOMIC BENEFITS ACCRUING TO THE REGION FROM A LAJES BASE AGREEMENT. LIKEWISE, IN ACCORDANCE

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WITH THE CONSTITUTION, THE RGA EXPECTED TO PARTICIPATE IN THE NEGOTIATION AND BENEFITS OF AGREEMENTS SOON TO BE WORKED OUT WITH FOREIGN NATIONS FOR THE USE OF THE REGION'S VAST 200 MILE MARITIME ECONOMIC ZONE. HE OBSERVED THAT THESE AGREEMENTS WOULD DEMONSTRATE CLEARLY TO ALL THE REAL ECONOMIC AND FINANCIAL SIGNIFICANCE OF THE REGION TO THE PORTUGUESE NATION.

3. NEW GUARANTEES FOR AUTONOMY SOUGHT: MOTA AMARAL RECALLED THAT THE CONSTITUTION GRANTED THE RGA THE RIGHT TO BE CONSULTED ON ALL QUESTIONS INVOLVING THE REGION AND TO PARTICIPATE IN THE DEFINITION AND EXECUTION OF FISCAL, MONETARY, FINANCIAL AND FOREIGN EXCHANGE POLICY AFFECTING IT. UNFORTUNATELY, THERE WERE MANY INSTANCES DURING THE PAST YEAR IN WHICH THE RGA HAD BEEN MERELY INFORMED BY THE CENTRAL GOVERNMENT AFTER DECISIONS HAD ALREADY BEEN TAKEN. THE SOARES GOVERNMENT'S UNILATERAL IMPOSITION OF AUSTERITY MEASURES ON THE REGION WAS THE MOST OBVIOUS EXAMPLE WITH NEGATIVE IMPACT ON THE RGA'S PLANS TO STIMULATE ECONOMIC DEVELOPMENT. ANOTHER WAS THE CENTRAL LIMITED OFFICIAL USE

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GOVERNMENT DECISION TO CREATE A NEW PUBLIC ENTITY TO ADMINISTER THE NATION'S AIRPORTS, INCLUDING THOSE IN THE REGION, A STEP WHICH RAN DIRECTLY COUNTER TO RGA PRETENSIONS OF GAINING CONTROL OF AIRPORTS HERE. THE RGA HAD USED CONSTITUTIONAL CHALLENGES TO PROTECT ITSELF AGAINST SUCH ABUSES. HOWEVER, IT HAD BECOME OBVIOUS THAT EX POST FACTO

LEGAL CHALLENGE OF LISBON'S FAITS ACCOMPLIS WAS NOT SUFFICIENT. CONSEQUENTLY, THE RGA HAD PROPOSED TWO NEW BILLS TO THE REGIONAL ASSEMBLY AND ULTIMATELY THE NATIONAL ASSEMBLY, WHICH WOULD DELAY IMPLEMENTATION HERE OF CENTRAL GOVERNMENT DECREES AFFECTING THE REGION LONG ENOUGH TO ALLOW THE RGA TO DECIDE WHETHER TO CHALLENGE

THEIR CONSTITUTIONALITY AND, IF IT DID, TO SUSPEND THEM FURTHER UNTIL THE REVOLUTIONARY COUNCIL RESOLVED THE ISSUE.

4. PENDING LEGISLATION SEEN AS A LITMUS TEST OF SECOND CONSTITUTIONAL

GOVERNMENT'S COMMITMENT TO AUTONOMY: MOTA AMARAL SAID THAT TWO OTHER REGIONAL ASSEMBLY BILLS, WHICH HE REGARDED AS OF THE HIGHEST IMPORTANCE FOR THE CONSOLIDATION OF FINANCIAL AUTONOMY, WOULD BE TAKEN UP BY THE NATIONAL ASSEMBLY SOON. ONE WOULD GRANT THE RGA THE POWER TO AUTHORIZE THE ESTABLISHMENT OF DOMESTIC BANKS IN THE AZORES AND THE OTHER WOULD CREATE A SPECIAL FOREIGN EXCHANGE BUDGET (ORCAMENTO CAMBIAL) FOR THE AZORES AGAINST WHICH THE RGA RATHER THAN CENTRAL BANK COULD AUTHORIZE PUBLIC AND PRIVATE ENTITIES IN THE REGION TO PURCHASE HARD CURRENCY. THE ASSEMBLY DEBATE WOULD GIVE THE RGA A SOLID READING OF THE SECOND CONSTITUTIONAL GOVERNMENT'S COMMITMENT TO AZOREAN AUTONOMY. IT WOULD ALSO, HE WARNED, OFFER A PREEVIEW OF THE LIKELY FATE OF A DEFINITIVE STATUTE OF AUTONOMY WERE THE PSD CONTROLLED REGIONAL ASSEMBLY TO ACCEDE TO SOCIALIST PARTY URGINGS TO DRAFT ONE FOR NATIONAL ASSEMBLY CONSIDERATION.

COMMENT: IN BOTH CONTENT AND STYLE, MOTA AMARAL'S NEW YEAR'S ADDRESS LIMITED OFFICIAL USE

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CONSTITUTED HIS MOST BLUNT CENSURE TO DATE OF WHAT HE VIEWS AS CENTRAL GOVERNMENT INTRANSIGENCE ON THE AUTONOMY QUESTION. IT UNDERScores HIS INTENTION TO PRESS AHEAD WITH HIS RELATIVELY RECENT TACTIC OF AIRING FULLY HIS DISPUTES WITH LISBON, PARTICULARLY NOW THAT IT HAS BECOME ALMOST CERTAIN THAT THE PSD WILL REMAIN IN OPPOSITION. HIS SPEECH ALSO DEMONSTRATES HIS ABILITY TO FIND NEW LEGAL AND POLITICAL MEANS TO DEFEND AND EXPAND THE REGION'S AUTONOMY. BY APPEARING TO LINK THE OUTCOME OF THE NATIONAL ASSEMBLY DEBATE ON THE TWO RGA-BACKED FISCAL AUTONOMY BILLS TO HIS SUPPORT FOR THE DRAFTING OF A DEFINITIVE STATUTE OF AUTONOMY, FOR EXAMPLE, HE IN EFFECT HAS CALLED THE BLUFF OF THE SOCIALIST PARTY. IT WILL BE RECALLED THAT AS RECENTLY AS NOVEMBER 17, MARIO SOARES HAD NONE TOO SUBTLY WARNED THE RGA THAT THE ACCELERATION OF THE PROCESS OF AUTONOMY WAS DEPENDENT UPON THE REGIONAL ASSEMBLY'S EARLY DRAFTING OF THE DEFINITIVE STATUTE. MACK

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